



San Diego City Attorney **MICHAEL J. AGUIRRE**

NEWS RELEASE

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Contact: Maria Velasquez, Communications Director (619) 235-5725 (pager & voicemail) mvelasquez@sandiego.gov

CITY ATTORNEY CALLS UNION PENSION TAX PROPOSAL “TAXATION WITHOUT REPRESENTATION”

Aguirre Urges City Council to Renounce and Reject the Proposed Tax Levy

San Diego, CA: City Attorney Michael Aguirre stated today at a news conference that he was troubled by the audacity of Municipal Employees Association (MEA) attorney Ann Smith to call for the citizens of San Diego to be taxed without a vote to help pay for the City employees' massive pension deficit, estimated at more than \$1.4 billion. The City Attorney estimates the tax could amount to \$1,000 per property per year, including homes and commercial properties.

“This proposal is taxation without representation. The attempt to squeeze dollars from taxpayers to support bloated and illegally negotiated pension benefits to City employees reveals the MEA's desperation to maintain the status quo,” said Aguirre. “Every investigation into this matter has indicated mismanagement at best and fraud at worst. Calling on the taxpayers of San Diego to foot the bill for these missteps is out of the question.”

Smith hand-delivered a letter to the Mayor and City Council last Friday calling for a tax to be levied on citizens of San Diego in order to make payments to the seriously underfunded City pension. The July 26 letter called the tax a “mandate,” a “duty” and “enforceable by the courts.” Her suggestion was that the tax be imposed by City Council action by August 31, 2006. Aguirre is calling on the City Council to renounce and reject the proposed tax levy.

Citing Section §76 of the San Diego City Charter, Smith said, “the evidence is indisputable that such a levy is and has been necessary for many years in light of the City's revenue-challenged status and its need to offer a competitive wage and benefit package...”

Aguirre, who has been an opponent of Smith's in court over the many pension lawsuits, said that the MEA's request for a tax without a public vote is not “legally sound.” He will be issuing a legal opinion in the next few weeks.

“The idea that the MEA could suggest making an end run around the citizens and courts and impose this tax is just another show of total arrogance that has been present since this matter was first made public in 2002 by a whistleblower,” said Aguirre. “The best way to protect the pensions of City Employees is to wipe out the illegal benefits, and renegotiate pension benefits of an elite few to a reasonable and sound level for all, as mandated by state law.”

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